

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO WHETHER WATS)
RESELLERS SHOULD BE INCLUDED IN) ADMINISTRATIVE
THE ULAS ALLOCATION PROCESS) CASE NO. 328

O R D E R

On March 23, 1989, the Commission opened this investigation to consider whether WATS¹ resellers should be subject to ULAS² charges.³ Issues pertinent to the investigation were specified on May 26, 1989. On May 30, 1989, the investigation was held in abeyance, pending conclusion of Administrative Case No. 323.⁴

Through a series of decisions entered on March 29, 1990, May 6, 1991, and January 23, 1992, the Commission concluded Phase I of Administrative Case No. 323. The March 29 decision ruled that intraLATA competition was in the public interest. The May 6 decision adopted a framework for intraLATA competition. The January 23 decisions ruled on tariff filings and other

¹ Wide Area Telecommunications Service.

² Universal Local Access Service.

³ It should be noted that this matter was severed from Administrative Case No. 311, Investigation of InterLATA Carrier Billed Minutes of Use as a ULAS Allocator. LATA is an acronym for Local Access and Transport Area.

⁴ Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, And WATS Jurisdictionality.

implementation matters. As a result of these decisions, this investigation is rendered moot and, therefore, should be terminated.

In the May 6, 1991 decision, the Commission adopted an intraLATA competition plan and method for the recovery of non-traffic sensitive revenue requirement proposed by a coalition of local and interexchange carriers ("Joint Motion"),⁵ with relatively minor modifications. In relevant part, the Joint Motion specified that non-traffic sensitive revenue requirement would be recovered by each local exchange carrier from each interexchange carrier, including carriers nominally classified as resellers, based on relative terminating switched access minutes of use.⁶ The Commission adopted this approach as a substitute for the ULAS approach to the recovery of non-traffic sensitive revenue requirement. Therefore, according to the terms of the Joint Motion and the Commission's decision, all users of terminating switched access services are subject to charges designed to recover non-traffic sensitive revenue requirement, effective with the start of intraLATA competition on March 3, 1991 and irrespective of nominal classification for regulatory purposes.

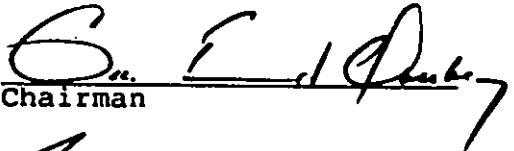
⁵ Joint Motion of a Coalition of Local Exchange Companies and Interexchange Carriers, filed on March 10, 1989 and supplemented on July 2, 1990.

⁶ Id., page 2. Also, compare with the discussion at pages 25-26 of the Commission's May 6, 1991 decision in Administrative Case No. 323, Phase I.

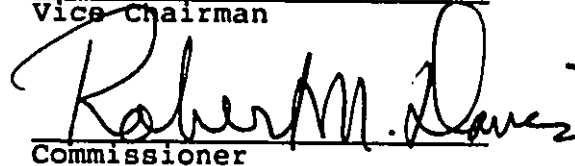
The Commission, having considered the evidence of record and being otherwise sufficiently advised, HEREBY ORDERS that this investigation is closed and removed from the Commission's docket.

Done at Frankfort, Kentucky, this 10th day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting